

FISCAL NOTE

Bill #: HB0657

Title: Permanent vehicle registration for persons with disabilities

Primary Sponsor: Parker, J

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$44,740	\$0
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	(\$44,740)	\$0

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|--|---|
| <input checked="" type="checkbox"/> Significant Local Gov. Impact
<input type="checkbox"/> Included in the Executive Budget
<input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Technical Concerns
<input checked="" type="checkbox"/> Significant Long-Term Impacts
<input checked="" type="checkbox"/> Needs to be included in HB 2 |
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Fiscal Analysis

ASSUMPTIONS:

1. In calendar year 2002 there were 11,117 motor vehicles registered under the disabled plate provisions of 49-4-304, MCA, and the motor vehicle division had on record approximately 60,000 valid permanent disabled placards issued to certified individuals. It is unknown how many individuals own multiple vehicles and may have acquired multiple placards to place one in each vehicle.
2. The number of motor vehicles that would become permanently registered under the provisions of this bill is unknown.
3. By statute light vehicles are registered under the fee structures in 61-3-561, MCA. This establishes the registration rate for vehicles four years old and newer, vehicles five to ten years old, and vehicles eleven years old and older. Basic motor vehicle registration fee structure for vehicles without special plates currently is:

Vehicle Age	Registration Rate/or DOT (61-3-561)	Registration Fee (61-3-321)	Senior Citizen Fee (61-3-321)	GVW Fee (61-10-201) (light trucks)	County Option (61-3-537)
0 – 4 yrs.	\$195.00	\$13.75 or \$18.75	\$0.25	\$7.00, \$12.50, or \$17.50	At a rate up to 0.7% of value

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					determined under 61-3-503
5-10 yrs.	\$65.00	\$13.75 or \$18.75	\$0.25	\$7.00, \$12.50, or \$17.50	At a rate up to 0.7% of value determined under 61-3-503
11yrs plus	\$6.00	\$13.75 or \$18.75	\$0.25	\$7.00, \$12.50, or \$17.50	At a rate up to 0.7% of value determined under 61-3-503

4. Under this bill light vehicles meeting the qualification requirements that would be permanently registered would pay the following fees:

Vehicle Age	Registration Rate/or DOT (61-3-561)	Registration Fee (61-3-321)	Senior Citizen Fee (61-3-321)	GVW Fee (61-10-201) (light trucks)	County Option (61-3-537)
0 – 4 yrs.	\$50.00	\$13.75 or \$18.75	\$0.25 five times or \$1.25	\$7.00, \$12.50, or \$17.50 times five	At a rate up to 0.7% of value determined under 61-3-503 times five
5-10 yrs.	\$50.00	\$13.75 or \$18.75	\$0.25 five times or \$1.25	\$7.00, \$12.50, or \$17.50 times five	At a rate up to 0.7% of value determined under 61-3-503 times five
11yrs plus	\$50.00	\$13.75 or \$18.75	\$0.25 five times or \$1.25	\$7.00, \$12.50, or \$17.50 times five	At a rate up to 0.7% of value determined under 61-3-503 times five

5. Motor vehicles that are permanently registered also pay an amount equal to five times the applicable fees for each of the following:
- junk vehicle disposal fees under 15-1-122(3)(a) \$1.00
 - weed control fees under 15-1-122(3)(b) \$1.50
 - the former county motor vehicle computer fees under 61-3-511 \$1.00
 - if applicable, license plate fees under 61-3-332 (Veterans Cemetery \$10) and renewal fees for personalized plates under 61-3-406 (\$10.00)
 - if applicable, the amateur radio operator license plate fee under 61-3-422 (\$5.00 only upon first application)
 - if applicable, the annual scholarship donation fee under 61-3-465 \$20.00
6. Funding distributions based upon 15-1-122, MCA, may be increased by the first permanent registration. Future annual funding distributions would be decreased by these motor vehicle registrations that would be no longer counted--for those vehicles permanently held.
7. After a motor vehicle is permanently registered, operating costs will decrease approximately \$0.33 for mail renewal notices and decals.

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8. Administrative expenses will total \$44,740 in FY 2004 for programming and computer processing costs associated with analysis, design, implementation, and creation of a new program for an early registration entry process routine that will determine eligibility for permanent registration for vehicles of any age. The program would set a flat fee and create all system edits for plates, tab, and fee processing to determine permanent registration or not. The program would calculate fees based upon the permanent registration process in 61-3-652, MCA, rather than the fees based upon age and registration period processes in 61-3-560 and 561, MCA. Additionally, the program for the revenue counts reports for funding distributions under 15-1-122, MCA, would need to be updated to reflect these counts and revenues.
9. It is anticipated that state revenues will negatively be impacted by the passage of this bill.

FISCAL IMPACT:

Department of Justice

Program 12 – Motor Vehicle Division

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$44,740	\$0
<u>Funding of Expenditures:</u>		
General Fund (01)	\$44,740	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$44,740)	\$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local government revenues may significantly decrease due to lost county option revenues resulting from permanent motor vehicle registrations.

LONG-RANGE IMPACTS:

General fund revenues and funding distributions may significantly decrease due to motor vehicle registrations that may change from an annual basis to a permanent status.

TECHNICAL NOTES:

1. Motor vehicles registered with a collegiate license plate under 61-3-465, MCA, or an organizational license plate under 61-3-480, MCA, would not be eligible to have a permanent registration due to the donation fees due upon renewal to retain the special license plate.
2. Motor vehicle registrations with National Guard license plates only remain valid until the individual surrenders the plates upon becoming ineligible to use them under 61-3-332(b), MCA.
3. Motor vehicles registered under a tribal or military exemption must recertify on a yearly basis.
4. Disabled placard permits for permanently disabled individuals expire if the appropriate medical professional certifies that the condition no longer exists, three years from the date of the original issuance of the placard unless recertified, or upon death of the permittee. This may become a law enforcement issue.
5. Disabled placards are issued to individuals who may or may not own a vehicle or may own multiple vehicles. In order to obtain a permanent registration for a motor vehicle the disabled person with a placard would have to be a registered owner of the vehicle.

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TECHNICAL NOTES: (continued)

6. In calendar year 2002, approximately 5,404 motor vehicles were registered with disabled license plates and were eleven years old or older. Under current statute 61-3-562, MCA, those motor vehicles were eligible for permanent registration.
7. Montana statute 1-2-201(1)(c), MCA, provides that changes to the taxation and fees in lieu of taxes for motor vehicles are to be effective the first day of January following passage and approval of the legislation which allows for fair and equal treatment of all Montana taxpayers. Since this bill is effective October 1, 2003, there would be a disparity in the types of collection and the distribution of those fees.